

file

BANK OF UGANDA

OFFICE OF
THE EXECUTIVE DIRECTOR
SUPERVISION



37/43 KAMPALA ROAD,
P.O. BOX 7120,
KAMPALA

DIRECT LINE 256-414- 230051
GENERAL LINE 256-414- 258441
Ext 2403
FAX LINE 256-414- 258515
TELEX 256-414-61059

CABLES UGABANK
Website www.bou.or.ug

EDS.306.2

August 17, 2012

***Circular to all Chief Executives of Commercial Banks, Credit Institutions
and Microfinance Deposit-taking institutions***

Implementation of the Financial Consumer Protection Guidelines 2011

In June 2011, Bank of Uganda published the Bank of Uganda Financial Consumer Protection (FCP) Guidelines which are applicable to all Supervised Financial Institutions (SFIs). A follow-up survey was conducted in April 2012, to establish SFIs' progress in the implementation of the Guidelines. The results of the survey revealed that while SFIs have implemented many provisions of the FCP, compliance with several aspects of the Guidelines remains largely inconsistent. Below are some key aspects of the FCP implementation which require urgent attention:

1. The Board of Directors of SFIs must acquaint themselves with the objectives and basic principles of the guidelines as well as the general requirements expected of SFIs in dealing with their customers. The Board of Directors are also responsible for approving any changes in policy, which might arise out of the implementation of the Guidelines. Additionally, the responsibility for enforcing overall compliance with the Guidelines should be assigned to a suitable Senior Officer.
2. SFIs are required to put in place training programmes for various staff cadres. The training programmes must incorporate FCP principles in order to inform and secure compliance with the guidelines.
3. SFIs must comply with the provisions on *Cooling Off, Conditional Sales, Guarantors, Reckless Lending and Complaints handling.*
4. SFIs must have in place documented policies & procedures to guide the Complaint Handling process. Furthermore, SFIs are required to submit to Bank of Uganda, a bi-annual Complaints Handling Report, in the format already circulated by Bank of Uganda.

Bank of Uganda will, at a later stage, provide further guidance on some aspects of the FCP implementation including Key Facts documents. Bank of Uganda will also provide further guidance to assist SFIs to design effective training programmes.

J. Bagyenda (Mrs.)
Executive Director Supervision

